

Message Text

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PAGE 01 USUN N 05101 262211Z

72

ACTION EB-11

INFO OCT-01 IO-14 ISO-00 CIAE-00 NSAE-00 NSCE-00 SSO-00

USIE-00 SS-20 L-03 H-03 PA-04 PRS-01 AF-10 ARA-16

EA-11 EUR-25 NEA-10 RSC-01 OMB-01 TAR-02 SPC-03

AGR-20 AID-20 COME-00 INR-10 LAB-06 OIC-04 SIL-01

STR-08 TRSE-00 CIEP-02 CEA-02 NSC-10 INRE-00 DRC-01

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FM USMISSION USUN NY

TO SECSTATE WASHDC IMMEDIATE 1473

UNCLAS USUN 5101

E.O. 11652: NA

TAGS: UNGA, ECOSOC, EFIN

SUBJ: 28TH GA: ITEM 51, UNCTAD DRAFT RESOLUTION ON
MTN REFORM

REF: STATE 231324

TEXT FOLLOWS OF MONETARY SYSTEM DRAFT RESOLUTION
REVISED AS OF FRIDAY NIGHT WITH CLEAR TEXT AVAILABLE
MONDAY A.M. THIS TEXT WILL BE BASIS OF CONTINUING
DISCUSSION MONDAY P.M. AND WILL BE BASE OF REFERENCE
OF OUR TELEPHONE COMMUNICATION TODAY AND TOMORROW.
LDCS PUSHING STRONGLY FOR VOTE ON RESOLUTION SOMETIME
TUESDAY. BALABANIS WILL PHONE KRIZAY (EB/IFD/OMA)
AFTER MEETING TONIGHT REGARDING FURTHER DEVELOPMENTS
ON TEXT.

BEGIN TEXT

THE GENERAL
UNCLASSIFIED

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PAGE 02 USUN N 05101 262211Z

RECALLING ITS RESOLUTION 2806 (XXVI) OF 14 DECEMBER 1971, AS WELL AS RESOLUTION 84 (III) OF 21 MAY 1972, ADOPTED BY THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT AT ITS THIRD SESSION,

NOTING THE FIRST OUTLINE OF REFORM BY THE COMMITTEE ON REFORM OF THE INTERNATIONAL MONETARY SYSTEM AND RELATED ISSUES,

RECOGNIZING THAT THE PROBLEMS IN THE MONETARY, TRADE AND FINANCE FIELDS SHOULD BE RESOLVED IN A CO-ORDINATED MANNER TAKING INTO ACCOUNT THEIR INTERDEPENDENCE, THROUGH APPROPRIATE CONSULTATIONS AS ENVISAGED IN THE RELEVANT RESOLUTIONS OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, WITH THE FULL PARTICIPATION OF DEVELOPED AND DEVELOPING COUNTRIES,

1. DRAWS ATTENTION TO THE DANGER OF HARMFUL DISRUPTION OF ECONOMIC CONDITIONS AS A RESULT OF THE CONTINUING UNCERTAINTY IN THE INTERNATIONAL MONETARY SPHERE, PARTICULARLY FOR THE TRADE AND DEVELOPMENT OF THE DEVELOPING COUNTRIES, AND, IN THIS REGARD, WELCOMES THE INTENTION OF THE COMMITTEE TO SETTLE THE ISSUES OF REFORM BY 31 JULY 1974;

2 STRESSES THAT THE REFORM OF THE MONETARY SYSTEM SHOULD AIM AT UNIVERSALITY AND SHOULD TAKE INTO ACCOUNT THE INTERESTS OF THE INTERNATIONAL COMMUNITY AS A WHOLE, THEREBY HELPING THE ESTABLISHMENT OF A NEW SYSTEM OF WORLD ECONOMIC RELATIONS BASED ON THE EQUALITY AND INTEREST OF ALL COUNTRIES;

3. WELCOMES THE PROVISIONS FOR FULL AND EFFECTIVE PARTICIPATION OF THE DEVELOPING COUNTRIES IN THE DISCUSSIONS AND IN THE DECISION-MAKING PROCESS OF THE REFORM AND EMPHASIZES THE ROLE OF THE COMMITTEE OF TWENTY AS THE BODY FULLY RESPONSIBLE IN ALL NEGOTIATIONS ON THE REFORM;

4. RECOGNIZES THE NEED FOR APPROPRIATE FLEXIBILITY
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PAGE 03 USUN N 05101 262211Z

IN THE NEW MONETARY SYSTEM TO TAKE INTO ACCOUNT THE SPECIAL CHARACTERISTICS AND SPECIFIC STRUCTURAL PROBLEMS OF DEVELOPING COUNTRIES;

5. INVITES THE INTERNATIONAL MONETARY FUND TO GIVE PARTICULAR ATTENTION TO THE CONCERNS OF THE DEVELOPING COUNTRIES IN THE FORTHCOMING REVIEW OF ITS CURRENT VOTING SYSTEM AND QUOTA STRUCTURE;

6. RECOMMENDS THE SPEEDING UP OF THE EXAMINATION OF PROPOSALS FOR ESTABLISHING A NEW FUND FACILITY TO PROVIDE LONGER TERM BALANCE OF PAYMENTS FINANCE FOR DEVELOPING COUNTRIES;

7. RECOGNIZES THE NEED OF REVIEWING OF METHODS OF OPERATION OF THE INTERNATIONAL MONETARY FUND, IN PARTICULAR THE TERMS FOR BOTH CREDIT REPAYMENTS AND "STAND-BY" AGREEMENTS, THE SYSTEM OF COMPENSATORY FINANCING, AND THE TERMS OF THE FINANCING OF COMMODITY BUFFER STOCKS, SO AS TO ENABLE THE DEVELOPING COUNTRIES TO MAKE MORE EFFECTIVE USE OF THEM;

8. ASSERTS THE FUNDAMENTAL IMPORTANCE OF ENSURING THAT THE REFORMED SYSTEM SHOULD BOTH CREATE CONDITIONS FOR AND CONTAIN ARRANGEMENTS TO PROMOTE AN INCREASING FLOW OF REAL RESOURCES FROM THE DEVELOPED COUNTRIES TO THE DEVELOPING COUNTRIES;

9. RECOMMENDS AN EARLY DECISION ON THE QUESTION OF ESTABLISHING A LINK BETWEEN SPECIAL DRAWING RIGHTS AND ADDITIONAL DEVELOPMENT FINANCE WITHIN THE FRAMEWORK OF THE REFORM OF THE INTERNATIONAL MONETARY SYSTEM;

10. EMPHASIZES THAT ADDITIONAL CREATION OF SPECIAL DRAWING RIGHTS IN ADEQUATE AND ORDERLY MANNER BY THE INTERNATIONAL MONETARY FUND SHOULD BE DETERMINED ON THE BASIS OF GLOBAL LIQUIDITY NEEDS;

11. AFFIRMS THAT THE DEVELOPING COUNTRIES WILL BE EXEMPTED, WHEREVER POSSIBLE, FROM IMPORT AND CAPITAL OUTFLOW CONTROLS IMPOSED BY DEVELOPED COUNTRIES
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 USUN N 05101 262211Z

FOR THEIR BALANCE-OF-PAYMENTS PURPOSES;

12. WELCOMES THE DECISION OF THE COMMITTEE OF TWENTY TO SET UP A TECHNICAL GROUP ON THE TRANSFER OF REAL RESOURCES TO STUDY, WITHIN THE CONTEXT OF THE INTERNATIONAL MONETARY REFORM, THE FLOW OF DEVELOPMENT ASSISTANCE, ACCESS TO CAPITAL MARKETS AND THE FLOW OF INVESTMENTS. END TEXT.
BENNETT

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 26 NOV 1973
Decaption Date: 01 JAN 1960
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30 JUN 2005

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Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005